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AN ACT  
RELATING TO LEGAL EDUCATION; ESTABLISHING A LEGAL EDUCATION  
LOAN REPAYMENT PROGRAM FOR ATTORNEYS SERVING IN PUBLIC  
SERVICE EMPLOYMENT; CREATING A PUBLIC SERVICE LAW ADVISORY  
COMMITTEE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the  
"Public Service Law Loan Repayment Act".

Section 2. PURPOSE.--The purpose of the Public Service  
Law Loan Repayment Act is to improve access to the justice  
system in New Mexico by increasing the number of attorneys in  
public service employment through a legal education loan  
repayment program.

Section 3. DEFINITIONS.--As used in the Public Service  
Law Loan Repayment Act:

- A. "commission" means the commission on higher  
education;
- B. "committee" means the public service law  
advisory committee;
- C. "legal education" means education at an  
accredited law school and any bar review preparation courses  
for the state bar examination;
- D. "loan" means money allocated to defray the  
costs incidental to a legal education under a contract

1 between the federal government or a commercial lender and a  
2 law school student, requiring either repayment of principal  
3 and interest or repayment in services;

4 E. "participating attorney" means an attorney who  
5 receives a loan repayment award from the commission pursuant  
6 to the provisions of the Public Service Law Loan Repayment  
7 Act; and

8 F. "public service employment" means employment  
9 with:

10 (1) an organization that is exempt from  
11 taxation pursuant to Section 501(c)(3) of Title 26 of the  
12 United States Code and that provides for the care and  
13 maintenance of indigent persons in New Mexico through civil  
14 legal services;

15 (2) the public defender department; or

16 (3) a New Mexico district attorney's office.

17 Section 4. COMMISSION--POWERS AND DUTIES.--

18 A. The commission may:

19 (1) grant an award to repay loans obtained  
20 for legal education expenses of a participating attorney as  
21 consideration and inducement to the attorney to engage in  
22 public service employment; and

23 (2) delegate to other agencies or contract  
24 for the performance of services required by the provisions of  
25 the Public Service Law Loan Repayment Act.

1           B. The commission shall make a full and careful  
2 investigation of the ability, character and qualifications of  
3 each applicant and determine fitness to become a  
4 participating attorney in the public service law loan  
5 repayment program.

6           Section 5. LOAN REPAYMENT PROGRAM--PARTICIPANT  
7 ELIGIBILITY--AWARD CRITERIA.--

8           A. An applicant shall be licensed to practice in  
9 New Mexico as an attorney and shall declare an intent to  
10 practice as an attorney in public service employment.

11           B. Prior to submitting an application to the  
12 public service law loan repayment program, an applicant shall  
13 apply to all available legal education loan repayment  
14 programs offered by the applicant's law school for which the  
15 applicant qualifies.

16           C. An applicant who intends to practice as an  
17 attorney in a public service employment position that earns  
18 more than forty-five thousand dollars (\$45,000) per year is  
19 not eligible for participation in the public service law loan  
20 repayment program.

21           D. Prior to receiving a loan repayment award, the  
22 applicant shall file with the commission:

23                   (1) a declaration of intent to practice as  
24 an attorney in public service employment;

25                   (2) proof of prior application to all legal

1 education loan repayment programs offered by the applicant's  
2 law school for which the applicant qualifies; and

3 (3) documentation that includes the  
4 applicant's total legal education debt, salary, any amounts  
5 received by the applicant from other law loan repayment  
6 programs and other sources of income deemed by the commission  
7 as appropriate for consideration.

8 E. Award criteria shall provide that:

9 (1) preference in making awards shall be to  
10 applicants who:

11 (a) have graduated from the university  
12 of New Mexico law school;

13 (b) have the greatest financial need  
14 based on legal education indebtedness and salary;

15 (c) work in public service employment  
16 that has the lowest salaries; and

17 (d) work in public service employment  
18 in underserved areas of New Mexico that are in greatest need  
19 of attorneys practicing in public service employment;

20 (2) an applicant's employment as an attorney  
21 in public service employment prior to participation in the  
22 public service law loan repayment program shall not count as  
23 time spent toward the minimum three-year period of service  
24 requirement pursuant to the contract between the  
25 participating attorney and the commission acting on behalf of

1 the state;

2 (3) award amounts are dependent upon the  
3 applicant's total legal education debt, salary and other  
4 sources of income deemed by the commission as appropriate for  
5 consideration;

6 (4) award amounts may be modified based upon  
7 available funding or other special circumstances;

8 (5) an award shall not exceed the total  
9 legal education debt of any participant; and

10 (6) award amounts shall be reduced by the  
11 sum of the total award amounts received by the participant  
12 from other legal education loan repayment programs.

13 F. The following legal education debts are not  
14 eligible for repayment pursuant to the Public Service Law  
15 Loan Repayment Act:

16 (1) amounts incurred as a result of  
17 participation in state or law school loan-for-service  
18 programs or other state or law school programs whose purposes  
19 state that service be provided in exchange for financial  
20 assistance;

21 (2) scholarships that have a service  
22 component or obligation;

23 (3) personal loans from relatives or  
24 friends; and

25 (4) loans that exceed individual standard

1 school expense levels.

2 Section 6. LOAN REPAYMENT CONTRACT TERMS--PAYMENT.--

3 A. The loan repayment award shall be evidenced by  
4 a contract between the participating attorney and the  
5 commission acting on behalf of the state. The contract shall  
6 state the amount of the award and the obligations of the  
7 participating attorney under the public service law loan  
8 repayment program, including a minimum three-year period of  
9 service, quarterly reporting requirements and other policies  
10 established by the commission.

11 B. A participating attorney shall serve a complete  
12 year in order to receive credit for that year. The minimum  
13 credit for a year shall be established by the commission.  
14 The maximum credit for a year shall not exceed seven thousand  
15 two hundred dollars (\$7,200).

16 C. If a participating attorney does not comply  
17 with the terms of the contract, the commission shall require  
18 immediate repayment of the award plus eighteen percent  
19 interest and may assess a penalty of up to three times the  
20 amount of award disbursed, unless the commission finds  
21 acceptable extenuating circumstances for why the  
22 participating attorney cannot serve or comply with the terms  
23 of the contract. If the commission does not find acceptable  
24 extenuating circumstances for the participating attorney's  
25 failure to comply with the contract, the commission shall

1 require immediate repayment of the award plus the amount of  
2 the penalty.

3 D. The commission, in consultation with the  
4 committee, shall adopt rules to implement the provisions of  
5 this section. The rules may provide for the disbursement of  
6 loan repayment awards in annual or other periodic  
7 installments.

8 Section 7. CONTRACTS--ENFORCEMENT.--The general form of  
9 the contract required shall be prepared and approved by the  
10 attorney general and the department of finance and  
11 administration and signed by the participating attorney and  
12 by the executive director of the commission or the executive  
13 director's designated representative on behalf of the state.  
14 The commission is vested with full and complete authority and  
15 power to sue in its own name for any balance due the state  
16 from any attorney on any such contract.

17 Section 8. PUBLIC SERVICE LAW ADVISORY COMMITTEE--  
18 CREATED--DUTIES.--

19 A. The "public service law advisory committee" is  
20 created to advise the commission on matters relating to the  
21 administration of the Public Service Law Loan Repayment Act.

22 B. The committee is composed of:

23 (1) the dean of the university of New Mexico  
24 law school or the dean's designee;

25 (2) the executive director of New Mexico

1 legal aid or the director's designee who shall be an attorney  
2 employed with an organization that is exempt from taxation  
3 pursuant to Section 501(c)(3) of Title 26 of the United  
4 States Code and that provides civil legal services to  
5 indigent persons in New Mexico;

6 (3) the chief public defender or the chief's  
7 designee;

8 (4) a district attorney appointed by the New  
9 Mexico district attorneys association; and

10 (5) a financial aid or career services  
11 officer of the university of New Mexico law school designated  
12 by the dean.

13 C. The committee shall:

14 (1) make recommendations to the commission  
15 on applicants for the public service law loan repayment  
16 program;

17 (2) advise the commission on the adoption of  
18 rules to implement the provisions of the Public Service Law  
19 Loan Repayment Act; and

20 (3) give advice or other assistance to the  
21 commission as requested.

22 Section 9. FUND CREATED--METHOD OF PAYMENT.--The  
23 "public service law loan repayment fund" is created in the  
24 state treasury. All money appropriated for the public  
25 service law loan repayment program shall be credited to the

1 fund and all payments for repayment of awards or penalties  
2 received by the commission shall be credited to the fund.  
3 All payments for loan repayment awards shall be by warrant of  
4 the secretary of finance and administration upon vouchers  
5 signed by the designated representative of the commission.  
6 Any unexpended or unencumbered balance remaining in the  
7 public service law loan repayment fund at the end of a fiscal  
8 year shall not revert to the general fund.

9 Section 10. CANCELLATION.--The commission may cancel  
10 any contract made between it and any participating attorney  
11 for any reasonable cause deemed sufficient by the commission.

12 Section 11. REPORTS.--The commission shall make an  
13 annual report to the governor and the legislature, prior to  
14 each regular session, of its activities, including the loan  
15 repayment awards granted, the names and addresses of  
16 participating attorneys and their employers who are in public  
17 service employment pursuant to the Public Service Law Loan  
18 Repayment Act and the names of participating attorneys who are  
19 not employed in public service employment, the reason they are  
20 not employed in public service employment and the amounts owed  
21 and paid on loans and loan repayment awards. \_\_\_\_\_

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